

C. *The ORBIT Act*

The Proposed Transaction will serve the public interest by furthering the U.S. policy, embodied in the ORBIT Act, of diluting the ownership interests of former signatories in Intelsat. The ORBIT Act was intended by Congress to cause Intelsat to “operate as [an] independent commercial entity” with “a pro-competitive ownership structure.”³² According to the legislative history of the ORBIT Act, Congress noted the importance of transforming Intelsat into a “commercial structure comparable to that of any of the existing satellite entities.”³³ Consistent with Congress’s objectives, the Proposed Transaction will result in the sale of all of the former signatory interests in Intelsat to Zeus.³⁴ As a result, Intelsat will be a supplier of satellite capacity, functioning in a free-market environment, with an ownership separated from its historic association with former signatory customers.

D. *Competitive Effects*

The Proposed Transaction raises no countervailing competitive harms that could detract from the public interest benefits that will accrue as a result of the Proposed Transaction. The Proposed Transaction will not result in any consolidation in the market for domestic and international FSS capacity for the provision of switched voice, private line, video, and earth station services to customers in the United States and this market will remain highly competitive following the Proposed Transaction. The Proposed Transaction merely replaces one series of owners with another. In addition, all conditions on Intelsat’s provision of service will continue

³² ORBIT Act § 621(2).

³³ S. Report No. 106-100, at 1-2 (1999).

³⁴ Indeed, the Proposed Transaction entails a complete change-out of ownership.

after consummation of the Proposed Transaction.³⁵ As a result, the Proposed Transaction will not in any way decrease the robust competition that currently characterizes the relevant market.

With the exception of international common carriage switched voice and private line services on “thin” routes, the Commission previously determined that the markets in which Intelsat competes through the provision of international switched voice, private line, video, and earth station services are fully competitive. It is well established that existing capacity is ample and that many satellite and cable-based providers compete vigorously for customers.³⁶ With

³⁵ The Commission previously determined that certain Intelsat entities have market power in the provision of transmission capacity for common carriage switched voice and private line services on thin routes as a result of its acquisition of certain assets, including earth station licenses, from Comsat Corporation. *Id.* at 27741-27747 (¶¶ 15-23). Consequently, the Commission held that Intelsat is required to comply with the rate regulations set forth in the Commission’s decisions in the Comsat non-dominance proceeding. *See Comsat Corporation; Policies and Rules for Alternative Incentive Based Regulation of Comsat Corporation*, Report and Order, 13 FCC Rcd 14083 (1999), Report and Order, 14 FCC Rcd 3065 (1999) (adopting incentive-based price regulation of Comsat’s provision of capacity for common carriage switched voice and private line services in non-competitive, or thin, geographic markets served only by satellite systems and where Comsat has market power) (“*Comsat Rate Regulation Orders*”). Under these decisions, Intelsat is regulated as a dominant international carrier on thin routes in its provision of space segment capacity for common carriage switched-voice and private line services, subject to the alternative rate regulation set forth in the *Comsat Rate Regulation Orders*, and as a non-dominant international carrier in its provision of all other authorized international common carrier services. Zeus agrees to accept this regulatory status with respect to the provision of certain international common carrier services on “thin” routes by Intelsat Government Solutions Corporation and to adopt all applicable tariffs and amendments.

³⁶ *See, e.g., Applications of Intelsat LLC; For Authority to Operate, and to Further Construct, Launch, and Operate C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit*, Memorandum Opinion Order and Authorization, 15 FCC Rcd 15460, 15463 (2000); *Direct Access to the Intelsat System*, Report and Order, 14 FCC Rcd 15703, 15725 (1999); *Application of General Electric Capital Corporation, Transferors, and SES Global, S.A. Transferees, for Consent to Transfer Control of Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, Order and Authorization, 16 FCC Rcd 17575, 17591-92, n.128 (IB & WTB 2001) (“*GE/SES Order*”).

respect to space segment capacity alone, numerous satellite providers vigorously compete in the domestic FSS market for commercial and government customers, including SES AMERICOM, PanAmSat (which recently was acquired by private equity funds), New Skies Satellites, NV (which, pending regulatory approvals, also will be acquired by private equity funds), and Eutelsat.³⁷ Further, Intelsat's current and potential competitors include not only other satellite and terrestrial facilities-based rivals, but also other resellers, including Intelsat distributors and wholesale customers, whose legal rights to resell Intelsat capacity will be unchanged by the Proposed Transaction.³⁸ Competition also is vibrant in the earth station component of the FSS market.

Moreover, the Private Equity Funds do not hold significant interests in companies that directly compete with Intelsat, and thus the Proposed Transaction will not affect the highly competitive FSS market in which Intelsat participates. The Private Equity Funds hold interests

³⁷ See Supplemental Response of SES AMERICOM, Inc. to FCC Staff Additional Information Request, Applications of Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession for Consent to Assignment of Licenses and Authorizations to SES AMERICOM, Inc., at 2 (filed May 19, 2004) (acknowledging that the "supply of transponder capacity is so vast" and that the "U.S. satellite services/transponder leasing market . . . is an extraordinarily competitive marketplace").

³⁸ In evaluating a proposed acquisition, the FCC examines whether the acquisition will increase the ability or incentive of the acquirer to affect competition adversely in any downstream end-user market by raising costs for its competitors. See *Teleport Communications Group Inc., Transferor, and AT&T Corp., Transferee, For Consent to Transfer of Control of Corporations Holding Point-to-Point Microwave Licenses and Authorizations to Provide International Facilities-Based and Resold Communications Services*, Memorandum Opinion and Order, 13 FCC Rcd 15236, 15260 (1998); *The Merger of MCI Communications Corporation and British Telecommunications plc*, Memorandum Opinion and Order, 12 FCC Rcd 15351 (1997). The Commission has determined that a merged firm's ability to engage in anti-competitive practices is substantially reduced when competitors of the firm have adequate alternative sources of necessary inputs.

in a variety of communications-related companies,³⁹ but none of these companies directly competes with Intelsat. Further, although under the Proposed Transaction there will continue to be a degree of common ownership between Inmarsat, a Mobile-Satellite Service ("MSS") provider, and Intelsat, the Proposed Transaction will result in common private ownership, rather than common ownership by former signatories, because Zeus will acquire the interests of former signatories in Intelsat. In addition, the common ownership does not pose any significant competitive concerns because the two companies serve distinct markets.⁴⁰ Consequently, the

³⁹ Specifically, one or more of the Private Equity Funds have invested in companies such as Omnipoint Corporation, Nextel Partners, Telemundo Communications Group, Clearnet Communications, Yell Group (most noted for the U.S. Yellow Book telephone directories), and Kabel Deutschland (Europe's largest cable provider). With respect to the satellite sector, one or more of the Private Equity Funds has invested in XM Satellite Radio, Inc. and Sirius Satellite Radio, Inc. (satellite digital audio radio service licensees), Mobile Satellite Ventures and Inmarsat Ventures Limited (L-band MSS providers), Terrestar (S-band MSS provider), and Miraxis (Ka-band broadband and direct-to-home services).

⁴⁰ FSS and MSS are not substitutable, and thus the Commission traditionally has not considered MSS services when evaluating the competitive implications of FSS transactions. *See, e.g., Loral Space & Communication Ltd. and Orion Network Systems, Inc. International Private Satellite Partners, L.P. (d/b/a) Orion Atlantic, L.P.; Application for the Transfer of Control of Various Space Station, Earth Stations, and Section 214 Authorizations*, Memorandum Opinion and Order, 13 FCC Rcd 4592, ¶ 12 (IB 1998) (finding that the merger of Loral, a domestic satellite provider with MSS interests, and Orion, an international satellite provider, "raises no concerns about substantial harm to competition in the United States" because the two companies "serve substantially different and distinct markets"). FSS providers, such as Intelsat, provide satellite services with much higher bandwidth using larger earth stations that are required to remain fixed on a specific location in the sky. MSS providers, on the other hand, generally offer very low bandwidth services using devices that are portable and that are not directional. Even in instances where both MSS and FSS providers serve similar customers, such as in the maritime industry, their services still are not substitutable. Because of the high upfront costs of installing large earth stations that can track a satellite while a ship is moving, only maritime market segments that require high bandwidth or that can generate revenue from communications services (*i.e.*, cruise ships) tend to utilize FSS. By contrast, fleets that do not require high bandwidth services, and therefore cannot justify the high cost of installing FSS earth stations, uniformly use MSS.

Proposed Transaction will not provide Intelsat with the ability to foreclose or otherwise harm the robust competition prevalent in the international communications market.⁴¹

E. Foreign Ownership – Petition for Declaratory Ruling Under § 310(b)(4)

In its *Foreign Participation Order*, the Commission adopted an open entry standard for investors from WTO-member states and a presumption that investment from such entities is in the public interest.⁴² The open entry standard applies to licenses issued under Sections 214 and 308 of the Act, among other licenses.⁴³

In the instant case, Zeus seeks a declaratory ruling that it is in the public interest for the Intelsat Licensees to have indirect foreign ownership of up to, and including, 100%, which is in excess of the 25% benchmark under Section 310(b)(4) of the Communications Act.⁴⁴

Specifically, Zeus seeks a declaratory ruling that it is in the public interest for: (i) Zeus, a company organized under the laws of Bermuda, to hold a 100% indirect equity and voting interest in the Intelsat Licensees; (ii) seventeen Investing Funds (all of which are organized under the laws of non-U.S., WTO-member countries) to hold up to an aggregate 100% voting interest

⁴¹ *Applications of Space Station System Licensee, Inc., Assignor, and Iridium Constellation LLC, Assignee, for Consent to Assignment of License Pursuant to Section 310(d) of the Communications Act*, Memorandum Opinion, Order, and Authorization, 17 FCC Rcd 2271, ¶ 33 (IB 2002) (“Inasmuch as the major investors in New Iridium hold no significant investments in firms that provide telecommunications services in, to or from the United States, we have determined that the proposed transaction will not lessen competition in any relevant market.”).

⁴² *Foreign Participation Order*, at ¶ 33 *et seq.*; ¶ 50 *et seq.*

⁴³ *Foreign Participation Order*, at ¶ 29.

⁴⁴ As no foreign government or representative thereof will hold any FCC license as a result of the Proposed Transaction, the restrictions on foreign ownership set forth in Section 310(a) of the Act do not apply to the Proposed Transaction. See 47 U.S.C. § 310(a).

and an 83.08% aggregate equity interest in Zeus;⁴⁵ and (iii) non-U.S. Limited Partners with direct interests in the Investing Funds to hold an aggregate 37.37% indirect equity interest in Zeus and non-U.S. principals of the Private Equity Funds that hold ultimate control of Zeus to hold an aggregate 48.2% voting interest in the election of directors⁴⁶ and a 45% indirect voting interest in Zeus on all other matters.⁴⁷ Further details concerning these interests are set forth in Attachment 3. For the reasons set forth below, Zeus submits that it will serve the public interest to permit these foreign ownership interests in excess of the 25% benchmark.

1. The Strong Presumption that Foreign Investment Serves the Public Interest Applies to the Proposed Transaction

⁴⁵ The seventeen foreign Investing Funds will hold 83.08% of the general voting interests; however, the three domestic Investing Funds' voting rights do not include the right to vote for a director of Zeus. See Attachment 3, Section II. Thus, out of an abundance of caution, Zeus is seeking a declaratory ruling that the foreign Investing Funds may hold "up to" a 100% voting interest.

⁴⁶ A director must be elected by an affirmative vote of three-fourths of the votes of all issued and outstanding shares of Zeus entitled to vote on the election of directors. As discussed in Attachment 3, Section II, *infra*, because the Class C shareholders have no voting rights with respect to directors, U.S. citizens will control 51.8% of the votes with respect to the election of directors.

⁴⁷ The vast majority of the equity interests in the Investing Funds is held directly by the numerous Limited Partners of the Investing Funds, which Limited Partners do not hold any voting rights in the Investing Funds. In fact, the only parties with direct interests in the Investing Funds that hold voting rights effectively are intermediate holding companies for the Private Equity Fund principals that ultimately control Zeus. Such voting rights in the Investing Funds ultimately are held by these Private Equity Fund principals through an often complex chain of ownership between the Investing Funds and the Private Equity Fund principals. Rather than picking some intermediate point or points along these complex ownership chains, it is most efficient to measure the aggregate foreign voting rights at the level of ultimate control of the Private Equity Funds. Accordingly, the Applicants believe their request for a declaratory ruling regarding the permissible level of non-U.S. direct equity ownership in the Investing Funds and non-U.S. ultimate voting control by the Private Equity Fund principals is the best way to accurately capture the indirect non-U.S. equity and voting ownership in Zeus.

There is a strong presumption that indirect foreign ownership by entities whose home markets are in countries that are members of the WTO serves the public interest.⁴⁸ The Commission determined that the public interest would be served by permitting such foreign ownership, in part, because:

[R]emoving barriers to entry and focusing on competitive safeguards will promote effective competition in the U.S. telecommunications services market by removing unnecessary regulation and barriers to entry that can stifle competition and deprive U.S. consumers of the benefits of lower prices, improved service quality, and service innovations.⁴⁹

If an entity that controls common carrier licensees, among other authorizations, is owned in part by entities from non-WTO-member states, the Commission still permits up to 100% foreign ownership unless the interest attributable to entities from non-WTO member states exceeds 25%.⁵⁰

⁴⁸ See *Foreign Participation Order*, 12 FCC Rcd at 23913 (1997) ("We therefore adopt, as a factor in our public interest analysis, a rebuttable presumption that applications for Section 214 authority from carriers from WTO Members do not pose concerns that would justify denial of an application on competition grounds. We also adopt a rebuttable presumption that such competitive concerns are not raised by applications to land and operate submarine cables from WTO Members or by indirect ownership by entities from WTO members of common carrier and aeronautical radio licensees under Section 310(b)(4) of the Act.").

⁴⁹ *Foreign Participation Order*, 12 FCC Rcd at 23897.

⁵⁰ *Foreign Participation Order*, 12 FCC Rcd at 23940; see also *Global Crossing Ltd. and Frontier Corp., Applications for Transfer of Control Pursuant to Sections 214 and 310(d) of the Communications Act*, Memorandum Opinion and Order, 14 FCC Rcd 15911, 15917 (IB, WTB & CCB1999) (permitting indirect ownership by a Bermuda company because "section 310(b)(4) is not otherwise implicated under the public interest analysis adopted in the Foreign Participation Order where, as here, non-WTO investment[s] in the ultimate parent company [do] not exceed 25 percent"); *GE/SES Order*.

In the instant case, the Intelsat Licensees will be owned and controlled by Zeus, which is organized under the laws of Bermuda, a U.K. Overseas Territory and WTO-member state.⁵¹ In addition, seventeen of the twenty Investing Funds with direct interests in Zeus are foreign, representing an aggregate 83.08% aggregate voting and equity interest in Zeus.⁵² Finally, certain entities that will hold equity and/or voting interests in the Investing Funds also are foreign. With respect to voting, 55% of these voting interests in the Investing Funds will be indirectly controlled by U.S. citizens.⁵³ The remaining voting interests in the Investing Funds will be controlled indirectly by non-U.S. citizens, all of whom are citizens of WTO-member states, and no individual or entity will hold a voting interest of greater than 25%.⁵⁴ With respect to equity, non-U.S. investors in the Investing Funds will hold indirectly a total equity interest in Zeus of approximately 37.37%, and more than 99% of the total indirect equity interest in Zeus will be held indirectly by WTO-member entities and U.S. entities. Because over 99% of the proposed indirect interest holders of the Intelsat Licensees are WTO-member entities, the Commission's

⁵¹ The Commission previously has determined that Bermuda is considered a WTO-member state for purposes of foreign ownership analyses. *See, e.g., Cable & Wireless USA, Inc., Order, Authorization and Certificate, 15 FCC Rcd 3050, 3052 (IB 2000)* ("We defer to the opinion provided to us by the U.S. Department of State and therefore treat Bermuda as a WTO Member for the purposes of applying the proper entry standard to this Application. Accordingly, we apply the open entry standard and the rebuttable presumption that the Application does not pose any concern that that would justify denial of the Application on competition grounds.")

⁵² However, as explained in Section II of Attachment 3, Apax's U.S. Investing Funds do not have any right to vote for Apax's director on the Zeus board of directors. The director is appointed by Apax's other Investing Funds, which vote pro rata based on their respective percentage ownership of Zeus.

⁵³ *See* Attachment 3; *see also* note 46.

⁵⁴ *Id.*

public interest presumption fully applies and indirect ownership of the Intelsat Licensees by Zeus should not raise any competitive concerns for the Commission.⁵⁵

2. Prior Commission Approvals of Intelsat's Current Foreign Ownership Provide Further Support for a Determination that the Proposed Transaction is in the Public Interest

When the proposed foreign ownership is compared to the current foreign ownership of the Intelsat Licensees, it is even more apparent that the foreign ownership resulting from the Proposed Transaction is in the public interest. Under their current ownership structure, the Intelsat Licensees already are 100% owned and controlled by Bermuda entities, namely, Intelsat (Bermuda), Ltd. and Intelsat, Ltd. The Proposed Transaction merely will result in the insertion of another Bermuda entity, Zeus, above the currently existing Bermuda entities in the ownership chain of the Intelsat Licensees.

Further, Intelsat (Bermuda), Ltd. and Intelsat, Ltd. currently are approximately 75% indirectly owned and controlled by foreign entities, including an approximate 6% interest held by non-WTO member states.⁵⁶ The Commission previously has held that this level, and similar levels, of foreign ownership in the Intelsat Licensees are in the public interest.⁵⁷ Upon

⁵⁵ See *Foreign Participation Order*, 12 FCC Rcd at 23913, 23940. In addition, Zeus has demonstrated that the Proposed Transaction will not affect the highly competitive market in which the Intelsat Licensees compete. See also, *infra*, Section II(D).

⁵⁶ See *In the Matter of COMSAT General Corporation, Lockheed Martin Global Telecommunications, LLC and COMSAT New Services, Inc., Assignors, and Intelsat LLC and Intelsat MTC LLC, Assignees, Petition for Declaratory Ruling Under Section 310 of the Communications Act of 1934, as Amended, and Joint Application for Consent to Assignments of Title II and Title III Authorizations*, Application, at 15, Attachment 3 (May 28, 2004).

⁵⁷ See, e.g., *Loral/Intelsat Order*, 19 FCC Rcd at 2404; See *Lockheed Martin Corporation, COMSAT Corporation, and COMSAT Digital Teleport, Inc., Assignors, and Intelsat Ltd., Intelsat (Bermuda), Ltd., Intelsat LLC, and Intelsat USA License Corp., Assignees*,

consummation of the Proposed Transaction, the aggregate level of ultimate indirect U.S. voting control will increase from 25% to 55% and the level of ultimate indirect U.S. equity ownership will increase from 25% to 62.63%.⁵⁸ Further, non-WTO membership interests—all of which will be limited partnership interests with no ability to control or be involved in the day-to-day management or operations of Zeus—will decrease from approximately 6% to less than 1%. Accordingly, Zeus submits that the foreign ownership attributed to the Intelsat Licensees through the interests of Zeus in Intelsat also is in the public interest.

For all of the foregoing reasons, the Commission should issue a declaratory ruling that permits indirect foreign ownership of the Intelsat Licensees by Zeus (through Intelsat (Bermuda), Ltd. and Intelsat, Ltd.) and by Zeus's foreign interest holders.⁵⁹

F. National Security, Law Enforcement, Foreign Policy and Trade Policy Considerations

The Commission stated in the *Foreign Participation Order* that “Executive Branch concerns regarding national security, law enforcement, foreign policy and trade policy are

Applications for Assignment of Earth Station and Wireless Licenses and Section 214 Authorizations and Petition for Declaratory Ruling, Order and Authorization, 17 FCC Rcd 27732, 27732 (IB & WTB 2002) (“Lockheed-Comsat/Intelsat Order”); Applications of Intelsat, LLC for Authority to Operate, and to Further Construct, Launch and Operate C-band and Ku-band Satellites that Form a Global Communications System in Geostationary Orbit, Order on Reconsideration, 15 FCC Rcd 25234 (2000).

⁵⁸ However, as explained in Attachment 3, Section II, the Zeus board of directors will be 51.8% controlled, rather than 55% by U.S. citizens.

⁵⁹ The ruling also should permit, consistent with Commission precedent, that the Intelsat Licensees may acquire up to and including an additional aggregate 25% indirect equity and/or voting interest from foreign individuals or entities without seeking further Commission approval under Section 310(b)(4), subject to typical conditions. *See, e.g., Loral/ Intelsat Order, 19 FCC Rcd at ¶ 26.*

legitimately addressed under the Section 310(b)(4) public interest analysis.”⁶⁰ If the Federal Bureau of Investigation, the Department of Justice, and the Department of Homeland Security (collectively, the “Executive Branch Agencies”) raise such concerns, the FCC will defer to these agencies’ expertise and recommendations.⁶¹ According to the Commission, however, only in “very rare circumstances,” which are not raised by the Proposed Transaction, will such considerations outweigh the presumption established by the Commission in favor of open entry into the U.S. communications markets. Instead, concerns of Executive Branch Agencies, if any, may be incorporated as conditions to the FCC’s grant of a transfer of control application, rather than through denial of the application.

The Applicants already have initiated discussions with the United States Department of Justice (“DoJ”) in order to address any such concerns. Zeus fully intends to continue Intelsat’s past demonstrated commitment to working with the Executive Branch Agencies to ensure that such agencies’ concerns properly are addressed through negotiation of corporate by-law amendments, board resolutions, side letter agreements and, if necessary, an appropriate network security agreement.⁶² Further, as described above, the Proposed Transaction increases the level of U.S. voting and equity ownership in Intelsat, which supports the compliance of the Proposed Transaction with this component of the Section 310(b)(4) public interest standard.

⁶⁰ *Foreign Participation Order*, 12 FCC Rcd at 23940-41.

⁶¹ *Id.* at 23915.

⁶² The Applicants request that the Commission defer grant of the Applications, without delaying the Commission’s consideration of the Applications in any other respect, until the Commission receives notice that all national security, law enforcement, and public safety concerns regarding the Proposed Transaction have been resolved with the Executive Branch agencies.

G. *The Commission Should Approve the Applications Under its Public Interest Standard*

As set forth above, the Proposed Transaction will result in substantial public interest benefits and poses no counterbalancing harms to the public interest. Specifically, under the Proposed Transaction, Zeus will acquire all of the interests in Intelsat of former signatories. In addition, Zeus will substantially reduce the non-U.S. and non-WTO ownership in Intelsat and replace it with U.S. ownership. Moreover, the privatization of Intelsat will provide flexibility to its capital structure, enabling Intelsat to better compete with other, private FSS providers. By contrast, the Proposed Transaction poses no potential harms to the public interest. Zeus's ownership is fully consistent with all applicable laws, regulations, and policies, including all foreign ownership restrictions. Further, Zeus's ownership of Intelsat is not anti-competitive in any manner given that: (1) the Proposed Transaction will not result in any significant consolidation in the international FSS market; (2) the Intelsat companies will not have market power in these product markets on the vast majority of routes; and (3) the terms of the *Comsat Rate Regulation Orders*, as applied to Intelsat USA License Corp. and IGSC, will constrain market power in the provision of capacity for common carriage switched voice and private line services on thin routes. For these reasons, the Proposed Transaction complies fully with the mandates of Section 214(a) and 310(d).⁶³

⁶³ See *GE American Communications, Inc., CCC Merger Sub, Inc., and Columbia Communications Corp.; Application for Consent to Transfer of Space Station Licenses of Columbia Communications Corporation; GE American Communications, Inc. CCC Merger Sub, Inc., and Columbia Communications Corp.; Application for Consent to Transfer of Earth Station License of Columbia Communications Corporation*, Order and Authorization, 15 FCC Rcd 11590, ¶ 11 (IB 2000) ("Given that there are no substantial concerns regarding harm to

III. TREATMENT OF PENDING APPLICATIONS, APPLICATIONS ACTED UPON DURING INTERIM PERIOD, AND APPLICATIONS THAT REMAIN PENDING AT CONSUMMATION.

Intelsat has various applications and petitions pending before the Commission. Under the new rules adopted in the *First Space Station Reform Order*,⁶⁴ “transfer applications are no longer considered major amendments to applications.”⁶⁵ Further, such new rules are applicable to pending applications that were filed under the prior processing procedures, “if doing so does not impair the rights an applicant possessed when it filed its application, increase an applicant’s liability for past conduct, or impose new duties on applicants with respect to transactions already completed.”⁶⁶ As the application of the rules adopted in the *First Space Station Reform Order* will have no such impact, the Applicants need not request a waiver with respect to any of Intelsat’s pending applications.⁶⁷

Following the filing of the Applications, the Applicants may file additional applications or petitions, or have currently pending applications or petitions granted, during the Commission’s

competition resulting from this transaction, these stated benefits are sufficient to establish that authorization of this transaction will serve the public interest.”).

⁶⁴ *Amendment of the Commission’s Space Station Licensing Rules and Policies*, First Report and Order, 18 FCC Rcd. 10760 (2003) (“*First Space Station Licensing Order*”).

⁶⁵ *General Motors Corporation and Hughes Corporation, Transferors, and The News Corporation Limited, Transferee, Supplemental Order*, MB Docket No. 03-124 (rel. Apr. 9, 2004), at ¶ 4 (“*Hughes/News Corp. Supplemental Order*”), (citing *First Space Station Reform Order*, 18 FCC Rcd at 10814, ¶ 140).

⁶⁶ *Id.*, quoting *First Space Station Reform Order*, 18 FCC Rcd at 10864, ¶ 276.

⁶⁷ See, e.g., *Applications of The News Corporation Limited and The DIRECTV Group, Inc. (Transferors) and Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC and PEOP PAS, LLC (Transferees) for Authority to Transfer Control of PanAmSat Licensee Corp.*, Public Notice, IB Docket No. 04-209, DA 04-2509, at 2 (rel. August 11, 2004).

consideration of these Applications and the period required for the consummation of the Proposed Transaction following approval (the "Interim Period").⁶⁸ Applicants therefore request, in line with recent precedent, that the grant of the Applications include authority for Zeus to acquire control with respect to: (i) all authorizations issued or assigned to Intelsat or any of its subsidiaries during the Interim Period; (2) all construction permits, if any, held by such companies that mature into licenses during the Interim Period; and (3) all applications pending at the time of consummation of the Proposed Transaction.⁶⁹ Also, Applicants will follow the Commission's procedures for a change in ownership of a satellite on the Permitted Space Station List following consummation of the Proposed Transaction.⁷⁰

⁶⁸ Consistent with Commission policy, the Applicants will file a minor amendment to the instant Application following the Commission's action on the pending application seeking consent to assign certain Title II, Title III and common carrier authorizations from COMSAT General Corporation ("ComGen") to Intelsat. *See Intelsat-ComGen Public Notice*. The minor amendment will request Commission consent to also transfer control of licensees holding the ComGen licenses and authorizations to Zeus. This includes earth station licenses with the following call signs: E980019, E980015, E980016, E980217, E990303, E970053, E960186, E960187. It also includes a space station license (MARISAT; call sign KS-35), a private land mobile radio license (call sign WPYJ473) and a common carrier authorization (FCC File No. ITC-20001016-00636).

⁶⁹ Applicants will amend all then pending applications filed by Intelsat and its subsidiaries that are pending as of the consummation of the Proposed Transaction to reflect Intelsat's new ownership structure. *See Hughes/News Corp. Supplemental Order* at ¶ 6; *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc., Transferors, to AOL Time Warner Inc., Transferee AOL/Time Warner*, Memorandum Opinion and Order, 16 FCC Rcd 6547, 6678, ¶ 317 (2001); *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Tele-Communications, Inc., Transferor, to AT&T Corp.*, Memorandum Opinion and Order, 14 FCC Rcd. 3160, 3234-35, ¶ 16 (1999). Further, the Applicants request that the grant of the Applications include authority for Zeus to acquire control of any special temporary authorizations held by Intelsat or its subsidiaries, or applications for special temporary authority that are pending, at the time of the consummation of the Proposed Transaction.

⁷⁰ *See First Space Station Reform Order*, 18 FCC Rcd at 1088, ¶¶ 326-327.

IV. CONCLUSION

For the foregoing reasons, the Applicants respectfully request that the Commission accept the Applications for streamlined processing and expeditiously grant consent to the transfer of control of the Intelsat Licensees from Intelsat, Ltd. to Zeus, as outlined herein.

Respectfully submitted,

INTELSAT, LTD.
Transferor

By: /s/ Richard Nash
Richard Nash
Assistant Secretary

Date: September 3, 2004

ZEUS HOLDINGS LIMITED
Transferee

By: /s/ Andrew D. Africk
Andrew D. Africk
Vice President

Date: September 3, 2004

ATTACHMENT 1
TRANSFER APPLICATIONS

#	Form	Application	Licensee/ Holder	Number and Type of Authorizations
1	603	Application for Transfer of Control of Wireless Telecommunications Bureau Authorizations	Intelsat LLC	4 Industrial/ Business Pool Microwave
2	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat North America LLC	5 Satellite Space Stations
3	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat LLC	24 Dual Carrier Space Stations
4	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat, LLC	17 Non Common Carrier Fixed Transmit Receive Earth Stations
5	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat LLC	29 Non Common Carrier Fixed Transmit Receive Earth Stations (Dual Carrier)
6	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat LLC	1 Common Carrier Fixed Transmit Receive Earth Station
7	312	Application for Transfer of Control of Satellite Space and Earth Station Authorizations	Intelsat LLC	6 Non Common Carrier Temporary Fixed Transmit Receive Earth Stations
8	703	Application for Transfer of Control of Experimental Authorizations	Intelsat LLC	3 Experimental Authorizations
9	N/A	Application for Transfer of Control of Holder of Section 214 Authorization	Intelsat Government Solutions Corporation	1 214 Authorization

ATTACHMENT 1
Transfer Applications
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#	Form	Application	Licensee/ Holder	Number and Type of Authorizations
10	N/A	Application for Transfer of Control of Holder of Section 214 Authorizations	Intelsat USA License Corp.	32 214 Authorizations

ATTACHMENT 2

INTELSAT LLC SATELLITES

Satellite/Call Sign	Orbital Location
INTELSAT 601/S2392	64.25°E
INTELSAT 602/S2389	50.5°E
INTELSAT 603/S2399	19.95°W
INTELSAT 604/S2390	157°E
INTELSAT 605/S2394	32.9°E
INTELSAT 701/S2400	180°E
INTELSAT 702/S2388	54.85°E
INTELSAT 704/S2397	33°E
INTELSAT 705/S2395	50°W
INTELSAT 706/S2401	53°W
INTELSAT 707/S2398	*53°W
INTELSAT 709/S2396	85.15°E
INTELSAT 801/S2391	29.5°W
INTELSAT 802/S2402	**32.90°E
INTELSAT 804/S2403	174°E
INTELSAT 805/S2404	55.5°W
INTELSAT 901/S2405	18°W
INTELSAT 902/S2406	62°E
INTELSAT 903/S2407	34.5°W
INTELSAT 904/S2408	60°W
INTELSAT 905/S2409	24.5°W
INTELSAT 906/S2410	64.15°W
INTELSAT 907/S2411	27.5°W
INTELSAT 10-02/S2414	1°W

*Request to modify authorization of license to relocate INTELSAT 707 from 1°W orbital location to 53°W following the transfer of traffic from INTELSAT 707 to INTELSAT 10-02 at 1°W in August/September and arrive at the new location in September/October 2004. This request was granted 8/25/04.

**Request to modify authorization of license to relocate INTELSAT 802 from 174.0 ° E.L. to 32.90 ° E.L. Intelsat LLC has begun drifting INTELSAT 802 and plans to have the satellite arrive at the new location in September/October 2004. This request was granted 6/28/04.

INTELSAT NORTH AMERICA LLC SPACE STATIONS

Satellite/Call Sign	Orbital Location
IA 4 (T-402)	77°W
IA 5 / (S2154)	97°W
IA-6 (T-403)	93°W
IA-7 (S2159)	129°W
IA 8 / (S2160)	89°W

INTELSAT LLC EARTH STATIONS AUTHORIZATIONS

#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSTN
1	E900992	Dual Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
2	E990551	*Non Common Carrier	Riverside, CA	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-Band	N/A
3	E010206	*Non Common Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	C-Band	N/A
4	E020169	*Non Common Carrier	Riverside, CA	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-Band	N/A
5	E020191	Non Common Carrier	Riverside, CA	Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	N/A
6	E020314	Non Common Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	C-Band/Ext. C-Band	N/A
7	E020315	*Non Common Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	C-Band	N/A
8	E020126	Non Common Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	Ku-band	N/A
9	E040125	Dual Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
10	KB26	Non Common Carrier	Riverside, CA	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-Band	N/A
11	E990320	Non Common Carrier	Washington, DC	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	N/A
12	E010104	Non Common Carrier	Washington, DC	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	N/A
13	KA265	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
14	KA266	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
15	KA267	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
16	KA268	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
17	KA269	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO

ATTACHMENT 2
FCC Licenses and Authorizations
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#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSTN
18	KA270	Dual Carrier	Paumalu, HI	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
19	KA25	Dual Carrier	Paumalu, HI	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
20	WA22	Dual Carrier	Andover, ME	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
21	E970168	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	N/A
22	E980200	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	N/A
23	E980485	Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
24	E980510	Dual Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	N/A
25	E980526	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	N/A
26	E990131	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	N/A
27	E000355	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	N/A
28	E000296	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	N/A
29	KA258	Dual Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
30	KA259	Dual Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
31	KA260	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
32	KA261	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
33	KA262	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
34	KA263	Non Common Carrier	Clarksburg, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	N/A
35	KA264	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
36	KA275	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
37	WA27	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed	Transmit/Receive	Fixed	C-band	NO

#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSTN
				Satellite				
38	WN52	Dual Carrier	Clarksburg, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
39	E030051	Dual Carrier	Hagerstown, MD	Int'l Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
40	E030071	Dual Carrier	Hagerstown, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
41	E030082	Dual Carrier	Hagerstown, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
42	E030100	Dual Carrier	Hagerstown, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
43	E030101	Dual Carrier	Hagerstown, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
44	E030103	Dual Carrier	Hagerstown, MD	Domestic & Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band/Ext. C-band	NO
45	E040140	Dual Carrier	Hagerstown, MD	Domestic Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
46	E040141	Dual Carrier	Hagerstown, MD	Domestic Fixed Satellite	Transmit/Receive	Fixed	Ku-band	NO
47	KA251	Dual Carrier	New York, NY	Int'l Fixed Satellite	Transmit/Receive	Fixed	C-band	NO
48	E920519	Non Common Carrier	Transportable	Domestic & Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A
49	E970091	Non Common Carrier	Transportable	Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A
50	E970319	Non Common Carrier	Transportable	Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A
51	E970325	Non Common Carrier	Transportable	Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A
52	E970326	Non Common Carrier	Transportable	Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A
53	E970330	Non Common Carrier	Transportable	Int'l Fixed Satellite	Transmit/Receive	Temp. Fixed	Ku-band	N/A

*Application to modify existing license for dual carrier status is still pending.

INTELSAT LLC EXPERIMENTAL LICENSES

#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSN
1	WB2XDE	Not Applicable	Washington, DC	Experimental	NA	XD FX	C-BAND	N/A
2	WD2XEJ	Not Applicable	Hagerstown, MD	Experimental	NA	XD FX	Ku-band	N/A
3	WD2XHU	Not Applicable	Washington, DC	Experimental	NA	XD FX	Ku-band	N/A

INTELSAT WIRELESS LICENSES

#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSTN
1	WII902	Non Common Carrier	Washington, DC	IG-Indust/Bus-Convential	Mobile	FB2-Mobile Relay	496.41250-499.41250	NO
2	WPAG761	Non Common Carrier	Oahu, HI	IG-Indust/Bus-Convential	Mobile	Mobile	151.65500	NO
3	WPAM980	Non Common Carrier	Clarksburg, MD	IG-Indust/Bus-Convential	Mobile	Mobile	151.65500	NO
4	WPRR963	Non Common Carrier	Washington, DC	IG-Indust/Bus-Convential	Mobile	FB2-Mobile Relay	496.28750	NO

PENDING APPLICATION FOR NEW EARTH STATION

#	Call Sign	Carrier Status	Site	Nature of Service	Type of Service	Class of Station	Frequency Bands	Connected to PSTN
1	E040286	Non Common Carrier	Clarksburg, MD	Domestic Fixed Satellite	Transmit/Receive	Fixed	Ka-band	N/A
2	E040343	Dual Carrier	Riverside, CA	Domestic Fixed Satellite	Transmit/Receive	Fixed	ku-band	NO

Section 214 Authorizations

CALL SIGN FILE NO.	CAPTION ON ORDER	AUTHORIZATION HOLDER	AUTHORIZATION STATUS/ FCC/DA NO.	DATE GRANTED
IPC-50	Application of Communications Satellite Corporation; For authority to provide satellite television services directly to users at United States earth stations.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Jan. 30, 1980); 76 FCC 2d 5; 1980 FCC LEXIS 102	Jan. 30, 1980
CSS-81-003-P	COMMUNICATIONS SATELLITE CORPORATION; Application for authority to participate in an INTELSAT program for the procurement of three additional modified INTELSAT V satellites to be used as a part of the INTELSAT communications satellite system.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Aug. 6, 1982); 91 FCC 2d 197; 1982 FCC LEXIS 503	Aug. 6, 1982
IPC-83-008; Transmittal Nos. 428 and 431	COMMUNICATIONS SATELLITE CORPORATION, Application for authority to provide satellite communications service to non-carriers at all U.S. international earth stations; COMMUNICATIONS SATELLITE CORPORATION, Revisions to Tariff FCC No. 101	Intelsat USA License Corp.	Memorandum Opinion and Order (Jan. 27, 1983); 93 FCC 2d 66; 1983 FCC LEXIS 624	Jan. 27, 1983
CSS-82-001-P	In the Matter of COMMUNICATIONS SATELLITE CORPORATION; Application for authority to participate in the construction of INTELSAT VI communications satellites to be used as part of the INTELSAT global satellite system.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (May 23, 1984); 1984 FCC LEXIS 2660	May 23, 1984

CALL SIGN FILE NO.	CAPTION ON ORDER	AUTHORIZATION HOLDER	AUTHORIZATION STATUS/ FCC/DA NO.	DATE GRANTED
ITC-84-150	In the Matter of the Application of COMMUNICATIONS SATELLITE CORPORATION; For authority pursuant to Section 401 of the Communications Satellite Act of 1962, as amended, to obtain units of utilization from INTELSAT and pursuant to Section 214 of the Communications Act of 1934, as amended, to establish channels of communication for the purpose of providing international business satellite space segment services between earth stations in the United States and INTELSAT satellites over the Atlantic Ocean.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Sept. 11, 1984); 1984 FCC LEXIS 1987	Sept. 11, 1984
ITC-85-086	In the Matter of COMMUNICATIONS SATELLITE CORPORATION; Application for authority, pursuant to Section 214 of the Communications Act of 1934, to install and operate communications equipment at the Andover, Maine (WA20) earth station for use in deriving channels of communication for Rural Communications Services.	Intelsat USA License Corp.	Order and Authorization (July 15, 1985); 1985 FCC LEXIS 2906	July 15, 1985
ITC-85-160	In the Matter of the Application of COMMUNICATIONS SATELLITE CORPORATION; For authority pursuant to Section 401 of the Communications Satellite Act of 1962, as amended to obtain units of utilization from INTELSAT and pursuant to Section 214 of the Communications Act of 1934, as amended, to establish channels of communications for the provision of Datanet space segment services.	Intelsat USA License Corp.	Order and Authorization (July 18, 1985); 1985 FCC LEXIS 2901	July 18, 1985

CALL SIGN FILE NO.	CAPTION ON ORDER	AUTHORIZATION HOLDER	AUTHORIZATION STATUS/ FCC/DA NO.	DATE GRANTED
ITC-86-025	In the Matter of the Application of COMMUNICATIONS SATELLITE CORPORATION; For such authority as may be necessary for it to participate in a program to modify the INTELSAT VB (F-13) and (F-15) satellites and the INTELSAT VI (F-4) and (F-5) satellites.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (April 10, 1986); 1986 FCC LEXIS 3635	April 10, 1986
ITC-86-109	In the Matter of COMMUNICATIONS SATELLITE CORPORATION; Application for Authority to Participate in a Program to Modify One or More INTELSAT VI Spacecraft to Provide Enhanced K-band Coverage.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Oct. 6, 1986); 1 FCC Rcd 156; 1986 FCC LEXIS 2518	Oct. 6, 1986
ITC-88-006	In the Matter of COMMUNICATIONS SATELLITE CORPORATION; Application for authority to provide satellite services between the United States and Cuba	Intelsat USA License Corp.	Order (June 30, 1988); 3 FCC Rcd 4423; 1988 FCC LEXIS 1325	June 30, 1988
ITC-88-207; CSG-88-090-P/L	In the Matter of the Application of COMMUNICATIONS SATELLITE CORPORATION For the Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, to Establish Channels of Communication between an Earth Station at United Nations Headquarters In New York and Overseas Points; COMMUNICATIONS SATELLITE CORPORATION For Authority to Act as Licensee of an Eleven Meter INTELSAT Standard G Earth Station at the United Nations Plaza in New York.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Dec. 23, 1988); 4 FCC Rcd 569; 1989 FCC LEXIS 46	Dec. 23, 1988
CSS-88-005	In the Matter of COMMUNICATIONS SATELLITE CORPORATION; For such authority as may be necessary in order for it to participate in a program for the construction of high power INTELSAT VII series communications satellites and procurement of appropriate launch vehicles to be used as part of the INTELSAT global satellite system.	Intelsat USA License Corp.	Memorandum Opinion, Order and Authorization (Jan. 11, 1990); 5 FCC Rcd 753; 1990 FCC LEXIS 701; 67 Rad. Reg. 2d (P&F) 546	Jan. 11, 1990